



HUD Notice Rental Assistance Demonstration (RAD) - Partial Implementation and Request for Comments

April 2012





KEY RAD GOALS



- Build on the proven Section 8 platform
- Leverage private capital to preserve assets
- Offer residents greater choice and mobility



RAD AUTHORITY



- Authorized as part of the Consolidated Further Continuing Appropriations Act of 2012 ([Public Law 112-55](#))
 - Program Rules outlined in PIH Notice 2012-18
- Allows public housing and certain at-risk multifamily legacy programs to convert to long-term Section 8 rental assistance
- Two components
 - 1st Component, *Competitive*: Public Housing & Moderate Rehabilitation (Mod Rehab)
 - 2nd Component, *Non-competitive*: Mod Rehab, Rent Supplement (Rent Supp) & Rental Assistance Payment (RAP)



1ST COMPONENT: COMPETITIVE



- Public Housing & Mod Rehab
 - Proposed: Public Comments due April 23, 2012
- Can compete to convert assistance to:
 - Project-Based Rental Assistance (PBRA) or
 - Project-Based Vouchers (PBV)
- Cap of 60,000 units
- Convert at current funding only
- Choice-mobility, with limited exemptions
- Extensive waiver authority to facilitate conversion
- Applications through September 30, 2015



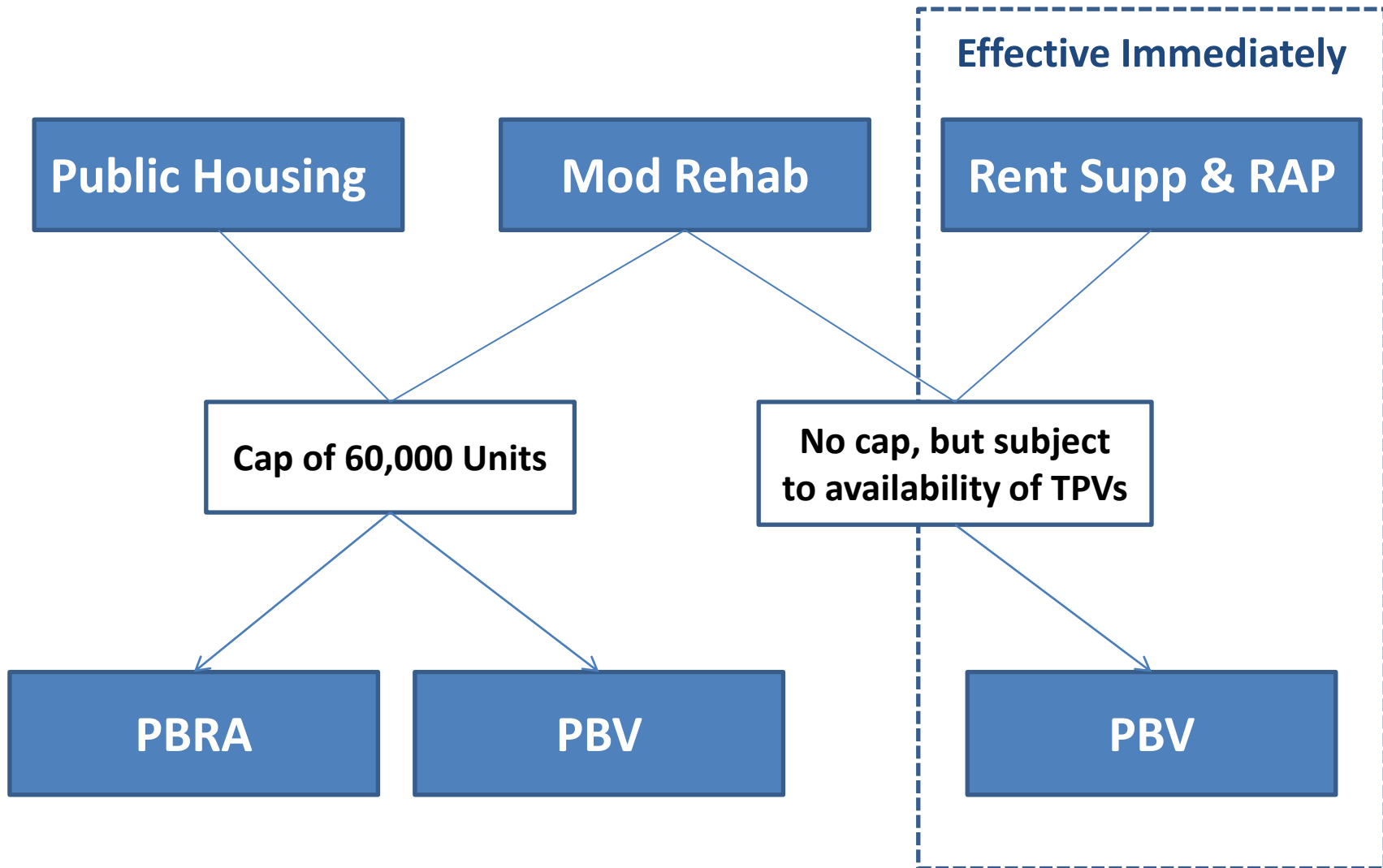
2ND COMPONENT: NON-COMPETITIVE



- Mod Rehab, Rent Supp, & RAP – All Public Comments due April 23, 2012
 - Proposed: Mod Rehab
 - Interim Authority: Rent Supp & RAP
- Upon contract termination/expiration, convert Tenant Protection Vouchers (TPVs) to PBVs
- No cap, but subject to availability of TPVs
- Choice-mobility requirement per PBV program rules
- Limited waiver authority to facilitate conversion
- 2-year prospective conversion authority (ends 9/30/2013)
- 5-year retroactive conversion authority (10/1/2006)



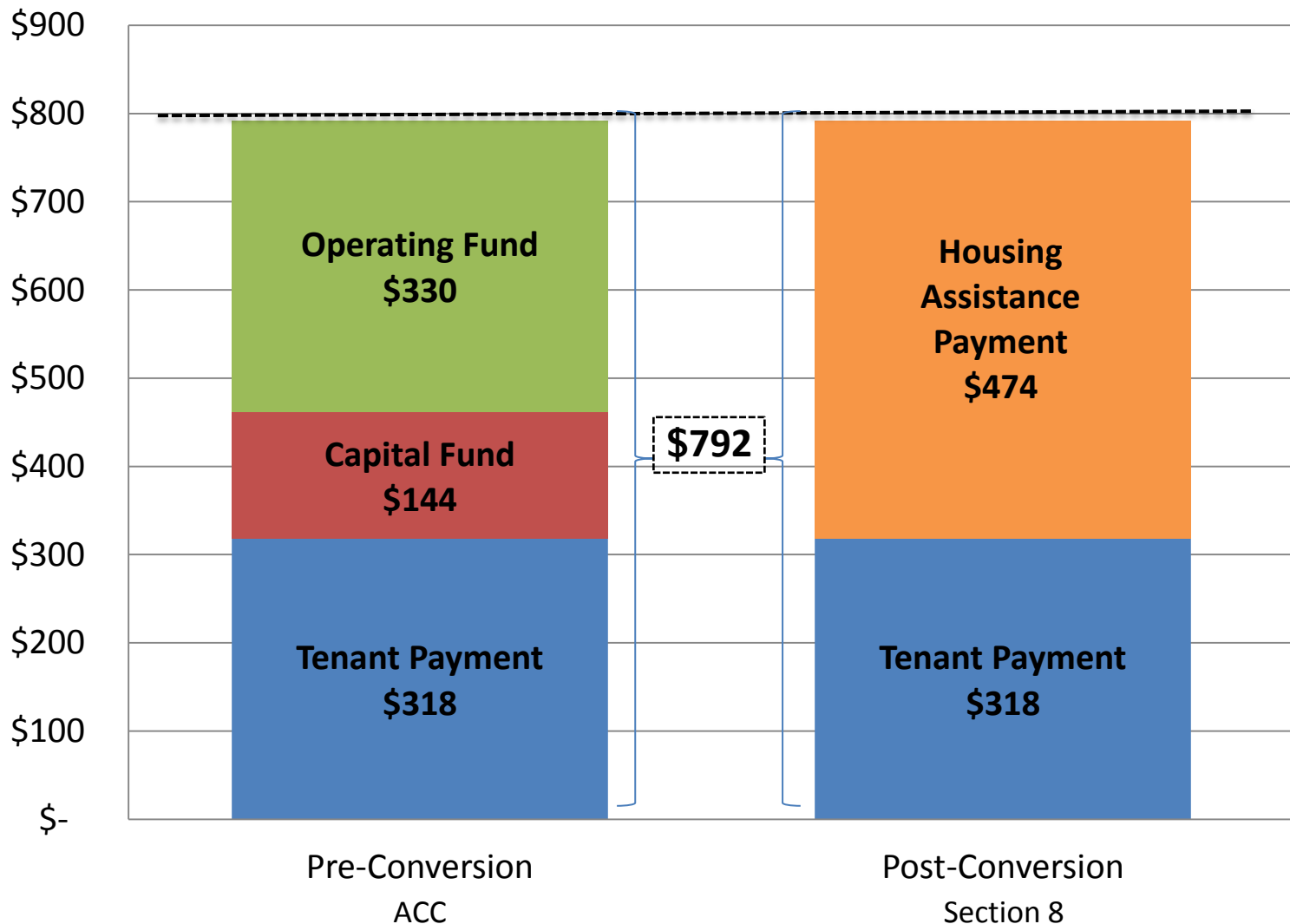
RAD CONVERSION ELIGIBILITY





PUBLIC HOUSING CONVERSION RENT LEVELS

Public Housing Conversion Per Unit Monthly (PUM)





KEY PROGRAM PROVISIONS: PUBLIC HOUSING



Provision	Requirement
Application Pools	4 Census Regions, by PHA size; 58,750 total units
Application Ranking Factors	<ul style="list-style-type: none"> • Capital Needs • Choice-Mobility • Green-Building • Priority Project
Ownership/Control	Public or non-profit ownership or control, except: <ul style="list-style-type: none"> • For-profit ownership to facilitate tax credits, or • In foreclosure, bankruptcy, termination for cause, dispose first to capable public entity, then other capable entities as determined by Secretary
Initial Contract Term	<ul style="list-style-type: none"> • PBRA – 20 years • PBV – 15 years (20 with approval of voucher agency)
Initial Contract Rents	Subject to current funding and associated rent caps
Capital and Operating Funds	Can be used in financing structure
Contract Rent Adjustments	Annually via Operating Cost Adjustment Factor (OCAF)
Contract Renewal	Secretary must offer and PHA must accept renewal
Use Agreement	Long-term use agreement extended with each contract renewal
Resident Choice-Mobility	<ul style="list-style-type: none"> • PBRA – Required after 2 years with PHA option of 20% project cap and 1/3 voucher turnover cap; good-cause exemption for up to 10% of conversions • PBV – Per normal PBV rules



KEY PROGRAM PROVISIONS: PUBLIC HOUSING

Continued

Provision	Requirement
Approval Process (2-Step)	1. Application > Commitment to Enter Housing Assistance Payments Contract (CHAP) 2. Financing Plan > Housing Assistance Payment Contract (HAP)
PBV Inventory Limitation	Exempt from 20% limitation
PBV Income Mixing	Raised to 50% per property
PBV Competitive Selection of Owner Proposals	Waived
PBRA Limitations on Distributions	Waived
No Rescreening at Conversion	Required
Resident Consultation	Required
Recognition of Legitimate Resident Organizations	Required
Resident Participation Funding	Continued at \$25 per occupied unit annually
Resident Procedural Rights under Section 6 of 1937 Act	As conveyed under Section 6 of 1937 Housing Act
Davis Bacon Act and Section 3	Required for initial repairs



KEY PROGRAM PROVISIONS: MOD REHAB

1st Component

Provision	Requirement
Application Pools	4 Census Regions; 1,250 units
Application Ranking Factors	<ul style="list-style-type: none"> • Capital Needs • Green Building • Choice-Mobility
Initial Contract Terms	<ul style="list-style-type: none"> • PBRA – 20 years • PBV – 15 years (20 with approval of voucher agency)
Initial Contract Rents	Subject to current funding and associated rent caps
Contract Rent Adjustments	Annually via OCAF
Contract Renewal	<ul style="list-style-type: none"> • PBRA – if owner requests, Secretary renews per MAHRA terms • PBV – per normal PBV rules (up to 15 years)
Resident Choice-Mobility	<ul style="list-style-type: none"> • PBRA – Required after 2 years with owner option of 20% project cap & PHA option of 1/3 voucher turnover cap; good-cause exemption for up to 10% of conversions. • PBV – Per normal PBV rules
Approval Process (2-Step)	<ol style="list-style-type: none"> 1. Application > Commitment to Enter Housing Assistance Payments Contract (CHAP) 2. Financing Plan > Housing Assistance Payment Contract (HAP)
PBV Inventory Limitation	Exempt from 20% limitation
PBV Income Mixing	Raised to 50% per property
PBV Competitive Selection of Owner Proposals	Waived
No Rescreening at Conversion	Required
Resident Consultation	Required
Recognition of Legitimate Resident Organizations	Required



KEY PROGRAM PROVISIONS: MOD REHAB

2nd Component

Provision	Requirement
Initial Contract Term	15 years
Initial Contract Rents	Per normal PBV rules
Contract Rent Adjustments	Annually per normal PBV rules
Contract Renewal	Per normal PBV rules (up to 15 years)
Resident Choice-Mobility	Per normal PBV rules
PBV Inventory Limitation	Exempt from 20% limitation
PBV Income Mixing	Raised to 50% per property
PBV Competitive Selection of Owner Proposals	Waived
Resident Consultation	Required



KEY PROGRAM PROVISIONS: RENT SUPP & RAP

Provision	Requirement
Initial Contract Term	15 years
Initial Contract Rents	Per normal PBV rules
Contract Rent Adjustments	Annually per normal PBV rules
Contract Renewal	Per normal PBV rules (up to 15 years)
Resident Choice-Mobility	Per normal PBV rules
PBV Inventory Limitation	Exempt from 20% limitation
PBV Income Mixing	Raised to 50% per property
PBV Competitive Selection of Owner Proposals	Waived
Resident Consultation	Required



RESIDENT CHOICE-MOBILITY

PBV

- Adhere to **current program rules**:
 - Minimum residency: 1 year
 - Waitlist priority if comparable TBRA is not immediately available

PBRA

- Minimum residency: **2 years**
- PHA may limit:
 - Choice-mobility vouchers to **one-third of its turnover vouchers**
 - Choice-mobility moves to **20 percent of the assisted units** in the project
- HUD may exempt up to 10% of converted units for:
 - PHAs/owners without voucher program
 - PHAs with one-third of voucher turnover already committed to veterans or to the homeless
- Ranking factor (in competition) for applicants who obtain/commit choice-mobility vouchers



SUBMISSION OF PUBLIC COMMENTS

Due April 23, 2012

Two methods for submitting public comments

- Electronic – Federal eRulemaking Portal at www.regulations.gov. HUD strongly encourages electronic submissions of comments.
- Mail – Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 10276, Washington, DC 20410-0500

Submissions must refer to HUD Notice (PIH 2012-18)

All comments submitted will be posted for public viewing on www.regulations.gov





PROJECTED TIMELINE



Initial Notice Published	3/8/2012
Public Comment Period Ends	4/23/2012
Final Notice Published	6/15/2012

First Component (Public Housing & Mod Rehab)

Initial Application Window Opens	8/15/2012
Public Housing Ongoing Application Window Opens	9/14/2012
Initial CHAP Awards	9/30/2012

Second Component (Mod Rehab, Rent Supp, & RAP)

Rent Supp/RAP Requests for Conversions Under Interim Authority	3/8/2012
Rent Supp/RAP/Mod Rehab Requests for Conversions Under Final Notice	8/1/2012



RAD WEB PAGE

All Notice and application materials, as well as additional resources, can be found at

www.hud.gov/rad

Email questions to rad@hud.gov

